

RESOLUTION NO. LPIC2007-01

A RESOLUTION OF THE LODI PUBLIC IMPROVEMENT CORPORATION APPROVING THE FORMS AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT AND A TRUST AGREEMENT IN CONNECTION WITH CITY OF LODI WASTEWATER SYSTEM REVENUE CERTIFICATES OF PARTICIPATION, 2007 SERIES A; AND APPROVING AND AUTHORIZING CERTAIN OTHER MATTERS RELATED THERETO

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WHEREAS, the City of Lodi, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), owns and operates a municipal wastewater system (the "System") to provide for the collection, treatment, and disposal of wastewater; and

WHEREAS, the Lodi Public Improvement Corporation (the "Corporation") is a nonprofit public benefit corporation formed for the purpose of assisting the City in financing capital improvements to the System; and

WHEREAS the City and the Corporation have entered into that certain Installment Sale Agreement, dated as of December 1, 1991, (the "1991 Prior Agreement") for the purpose of refinancing certain improvements to the System (the "Existing Facilities"); and

WHEREAS, the Corporation entered into that certain Trust Agreement, dated as of December 1, 1991, (the "1991 Trust Agreement") with Bank of America National Trust and Savings Association pursuant to which there have been delivered Certificates of Participation (1991 Wastewater Treatment Plant Expansion Refunding Project) (the "1991 Certificates") evidencing the right to receive the installment payments to be made by the City under the 1991 Prior Agreement; and

WHEREAS, the City proposes to refund the outstanding 1991 Certificates by making a prepayment of the remaining installment payments under the 1991 Prior Agreement, which is to be applied to the redemption of the outstanding 1991 Certificates; and

WHEREAS, the Corporation has agreed to assist the City by: (i) acquiring the Existing Facilities and selling the Existing Facilities to the City, and (ii) acquiring or causing the acquisition of the Project and selling the Project to the City, in each case pursuant to the terms of an Installment Purchase Agreement (the "Installment Purchase Agreement"); and

WHEREAS, pursuant to the Installment Purchase Agreement, the City will be obligated to make installment payments (the "Installment Payments") to the Corporation as the purchase price of the Project; and

WHEREAS, the Corporation will assign certain of its rights under the Installment Purchase Agreement, including its rights to receive the Installment Payments, to The Bank of New York Trust Company, N.A. (the "Trustee") pursuant to a Trust Agreement (the "Trust Agreement") between the Corporation and the Trustee; and

WHEREAS, pursuant to the Trust Agreement, the Trustee is to execute and deliver Wastewater System Revenue Certificates of Participation, 2007 Series A (the "Certificates"), evidencing a proportionate ownership interest in the Installment Payments; and

WHEREAS, a portion of the sale of the Certificates is to be applied, among other things, to the costs of the Project as provided in the Trust Agreement; and

WHEREAS, a portion of the sale of the Certificates is to be applied to the prepayment of the City's obligations to make installment payments under the 1991 Prior Agreement; and

WHEREAS, there have been executed and delivered Wastewater System Revenue Certificates of Participation, 2004 Series A, under a certain Trust Agreement (the "2004 Trust Agreement"), dated as of May 1, 2004, between Corporation and Union Bank of California, N.A (the "2004 Trust Agreement Trustee"); and

WHEREAS, the City wishes the Corporation and the 2004 Trust Agreement Trustee to enter into a supplemental trust agreement amending the definition of the term "Operation and Maintenance Costs" contained in the 2004 Trust Agreement to match the definition of the same term in the Trust Agreement; and

WHEREAS, all acts, conditions, and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the Corporation is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions, for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LODI PUBLIC IMPROVEMENT CORPORATION AS FOLLOWS:

Section 1. The Board of Directors of the Corporation hereby specifically finds and determines it is desirable and furthers the Corporation's public purpose to assist the City in the refinancing of the Existing Facilities and the financing of the Project as provided in the Installment Purchase Agreement and the Trust Agreement and that the statements, findings, and determinations of the Corporation set forth above and in the preambles of the documents approved herein are true and correct.

Section 2. The Installment Purchase Agreement, in the form presented at this meeting and on file with the Secretary of the Corporation, and the performance by the Corporation of its obligations thereunder, are hereby approved. The President and the Treasurer of the Corporation, each acting singly, are hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver to the City the Installment Purchase Agreement in substantially said form, with such changes therein as such officer executing such document may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Trust Agreement, in the form presented at this meeting and on file with the Secretary of the Corporation, and the performance of by the Corporation of

its obligations thereunder, are hereby approved. The President or the Treasurer of the Corporation, each acting singly, are hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver to the Trustee the Trust Agreement in substantially said form, with such changes therein as such officer executing such document may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The President or the Treasurer of the Corporation, each acting singly, are hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver to the 2004 Trustee a supplement to the 2004 Trust Agreement to amend the definition of Operation and Maintenance Costs to match the definition of such term in the Trust Agreement.

Section 5. The Secretary of the Corporation is hereby authorized and directed to attest the signatures of the President and the Treasurer of the Corporation, as may be required or appropriate, in connection with the execution and delivery of the Installment Purchase Agreement, the Trust Agreement and the Certificates.

Section 6. Each officer of the Corporation is hereby authorized and directed, acting singly, to do any and all things and to execute and deliver any and all documents which they may deem necessary or desirable in order to consummate the transactions authorized hereby and to consummate the sale, execution, and delivery of the Certificates and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution, the Installment Purchase Agreement the Trust Agreement and the Certificates; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 7. This Resolution shall take effect immediately upon its passage.

Dated: November 7 ,2007

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I hereby certify that Resolution No. LPIC2007-01 was passed and adopted by the Board of Directors of the Lodi Public Improvement Corporation in a regular meeting held November 7, 2007 by the following vote:

AYES: DIRECTORS – Hansen, Katzakian, Mounce, and President Johnson

NOES: DIRECTORS – Hitchcock

ABSENT: DIRECTORS – None

ABSTAIN: DIRECTORS – None


JENNIFER M. PERRIN
Deputy City Clerk

on behalf of Secretary Randi Johl

LPIC2007-01